86-0503

ROUTING AND RECORD SHEET

SUBJECT: (Optional)					
DA Background items for Mr. Gates use at Confirmation Hearings				FILE: 100 - 18	

FROM:			EXTENSION	NO.	
EXO/DDA				DATE 14 March 1986	

TO: (Officer designation, room number, and building)	DATE RECEIVED	FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom Draw a line across column after each comment.)
1. DD/OCA, 7B02, Hqs				Pat:
2.				Attached are the DA background items you requested for Mr. Gates use at Confir- mation Hearings. If you need additional information, please call me
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DDA/PS   rf (14 March 86)
Distribution:
Orig - Addressee
   1 - DDA/PS
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S E C R E T

I. What is being accomplished in technical and personnel security?

    o   <u>Organization</u>

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    o   <u>Computer Security</u>

The Office of Security (OS) has had responsibility for four initiated projects identified by the Intelligence Community Staff for computer security enhancements. They are automated labeling facility, auditing and accountability, security evaluation and certification and trusted systems compensating safeguards. Gramm/Rudman has had a significant negative impact on FY-1986 funding in this area.

S E C R E T

S E C R E T

During the past year, our computer security people completed a comprehensive vulnerability study of the CAMS II computer system, established a testbed for "signature verification" as a possible replacement for passwords as a mechanism to control access to Agency computer systems, and investigated and resolved four major computer abuse cases.

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○   **Personnel Security, including Polygraphy**

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We have an intensive recruitment effort to locate personnel to train as polygraph examiners. As of today, we have ☐ examiners in place, ☐ additional examiners in training and our goal is ☐ examiners by January 1987. We are also acquiring space and facilities for the additional polygraph examiners.

The programmatic implication of the Howard case, as well as the other recent espionage cases, is seen in recent budgetary initiatives submitted by the Office of Security:

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-- For FY-86, OS received ☐ positions which were allocated as follows: ☐ investigators; ☐ adjudicators and ☐ polygraphers.

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-- For FY-87, OS has requested ☐ additional investigative/adjudicative positions and ☐ additional positions in our Polygraph Division. These positions are needed in order to support our trial period, reinvestigation program and counterintelligence efforts.

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-- For FY-88, OS will be requesting a total of ☐ additional positions: ☐ for polygraph; ☐ investigative and/or adjudicative and ☐ for our expanded counterintelligence activity. Budget constraints may require a scaling back.

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S E C R E T

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S E C R E T

III. What is background on supplemental retirement, pay banding, and recruitment of minorities?

○ Supplemental Retirement

HPSCI and SSCI have met and discussed their basic positions for presentation to House/Senate conferees. A paper is being drafted centering around the following six points.

-- New CIARDS-type employees--the same benefits as law enforcement officers, fire fighters and air traffic controllers (age 50 retirement; 1.7% accrual rate for first 20 years, 1% thereafter, plus a supplement between retirement and age 62).

-- Non-CIARDS-type employees--the same coverage as regular Civil Service (age 55 retirement; 1% accrual rate, plus a supplement until age 62).

-- Non-CIARDS-type employees and DIA/NSA employees receive the same accrual rates as CIARDS types while serving overseas.

-- Internal administration of all Agency employees.

-- Current CIARDS former spouse benefits would apply to new legislation.

-- Retirement regulations continue to be submitted to oversight committees for approval.

HPSCI and SSCI have not come to an agreement on the future study on expansion of CIARDS. HPSCI is for status quo. SSCI wants this study--because the Chairman, SSCI has the CIARDS study on his agenda, the SSCI will move independently, even if HPSCI is not agreeable. HPSCI wants our non-CIARDS employees to continue to have appeal rights to the Merit Systems Protection Board (MSPB). The MSPB is very judicial in nature and probably not receptive to intrusions into their territory. While the ideal would be to make everyone the same as CIARDS types, i.e., exempt from MSPB review, the volume of past activity for non-CIARDS types is not significant enough to pursue this issue.

S E C R E T

Overall cost of the proposed program (22.8%) is a major concern of the Administration--we are told nothing beyond 22% is acceptable to the Administration. This could be a real issue because it could entail a Presidential veto. Office of Personnel (OP) representatives met with OPM officials on 21 February to discuss further internal administration and funding issues. Previous discussions divulged OPM is supportive of our security concerns, but wants to ensure that non-CIARDS types are administered and receive the same benefits as all other Civil Service employees.

On FBIS TCNs (non-residence aliens), we are working with OGC and oversight committees to determine how best to include them into the new supplemental retirement package. Several options appear to exist, including continuation of these employees under the old Civil Service system. We are pursuing this matter and believe we are near resolving this issue. Bottom line is that we essentially have our major concerns resolved in the proposed legislation.

We are staying close to both HPSCI, SSCI staffers and our consultants so we will know of any potential changes in the direction they are taking.

o **Pay Banding**

At this time we have just completed our first year of operation under an experimental pay banding program. While it is still too early to assess fully the long-term impact of the program on recruitment and retention, or on overall payroll costs, we continue to be optimistic about the future utility of pay-for-performance in the Agency.

We have completed an attitude survey of participants in the experimental program to assess the acceptance of pay-for-performance by participating employees, and to assess their understanding of the program. Our initial response from participants indicates that they do understand the new pay program, and that over 75% of those responding to the survey are supportive of the pay-for-performance system. We are currently conducting a follow-up attitude survey to assess the changes in attitudes after the first performance awards were granted in September 1985, but will not have the results until spring 1986.

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S E C R E T

Our first-year costs fell within our budgeted personnel costs for the Office of Communications. Our conversion costs, which we have projected to be approximately ⬚ on an annualized basis, were approximately ⬚ for the ⬚ officers converted. Our first annual performance award and promotion cycle was not completed until late September 1985, so the resulting payroll costs will not be realized until FY 1986. These costs will exceed historical General Schedule costs for promotion, Quality Step Increases and Within-Grade Increases by approximately ⬚ or approximately 14%, for the initial year. These higher costs for the first year are misleading, however, and do not reflect long-term trends. As part of the first-year conversion to banding, we included additional funds to upgrade a number of positions in the occupation to reflect the increased responsibility that has evolved into the occupation as a result of advancing technology and the changing role of the communicator overseas. We also included additional money to increase hiring rates for new employees entering the occupation to reflect renewed emphasis on obtaining communicators with prior military or civilian experience.

We believe that pay-for-performance is a cost-effective way of motivating our people to continue to collect, evaluate, and disseminate the quality intelligence required by policymakers. We are also conscious of the need to conserve our personnel dollars. We are currently reviewing the administrative procedures in the pay banding experiment to refine them and assure that long-term costs remain within our budgeted projections. The results of this analysis will be used to revise the pay guidance for the experimental group next year, and for out years.

As our grade banding experiment moves into its second year, we intend to add approximately ⬚ additional employees in the Office of Communications to our experimental population. This group will include Electronic Technicians who are working side-by-side with the Telecommunications Officers. Both groups will be covered by the same pay bands established last year for the Telecommunications Officers. Performance evalations and pay decisions on individual employees will continue to be made on defined performance standards for the career path.

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o   <u>Minority Recruitment</u>

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In our review of minority hiring in 1984   persons) and 1985
persons), we have been unable to pinpoint specific reasons for the
decrease. We do know it was not because of a lack of emphasis in the
importance we place on our minority hiring effort. Resources
dedicated to this were at least at the same level as 1984. Because
of our concern about the lower number of minority EOD's in 1985, new
efforts were initiated:

--   improved targetted advertising;

--   implementation of a tuition assistance program for our student
      trainees which will benefit minorities, giving greater weight to
      the recruitment of minorities over non-minorities when evaluating
      recruiter effectiveness; and,

--   overall renewed emphasis on minority recruitment.

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We have hired   professional/technical minority persons in FY 1986
as of 12 March,   professional/technical minority persons are
currently in process, and our recruiters have visited 26 black
schools so far in FY 1986.

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